



# California Postsecondary Education Commission

770 L Street, Suite 1160 • Sacramento, California 95814

[www.cpec.ca.gov](http://www.cpec.ca.gov) • (916) 445-1000

## FOR IMMEDIATE RELEASE

**CORRECTED: 12:10pm on 6/9/08**  
**Headline and some text revised from 8am version**  
**to indicate impact of financial aid**

## Contact

Kendyce Manguchei

[kmanguchei@cpec.ca.gov](mailto:kmanguchei@cpec.ca.gov) • (916) 445-1000

## Paying for college getting harder for working families

*Including financial aid packages, a low wage family now needs 6 months' worth of income to pay for one year at UC*

SACRAMENTO — June 9, 2008 — A working family is likely to spend half their annual income to put a son or daughter through one year of college, according to research by the California Postsecondary Education Commission. At its meeting next week, Commission members will discuss the rising costs of college and how this affects California families.

College costs have risen steadily over the past 30 years, much faster than inflation. These rising costs have been particularly hard on low- and middle-income families whose incomes have not kept up with inflation.

Commission researchers have compiled 30 years of data to find the percentage of a family's income needed to meet a year of costs at the University of California and California State University.

For a family in the bottom 20 percent of the income scale — supported by jobs paying \$25,000 a year, such as receptionists, delivery drivers and bank tellers — a year at UC now costs 82 percent of annual income. In 1975, a year at UC cost only 44 percent of annual income for a family in this income bracket. Students who do not receive financial support from their parents can no longer work their way through college, as they had in previous years. In 1975, three months of summer work as a retail salesperson would pay the cost of a year at CSU. Today, this summer job would cover only one-third of the costs.

“Working more hours to pay for college just doesn’t work anymore,” Commission Chair Olivia Singh said. “In the 1970s, a student could work during the summer and pay nearly all their college expenses. Now, a summer job will barely pay for half of a semester. Many of California’s students are in danger of dropping out altogether because they feel the debt simply isn’t worth it.”

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In 2005, a middle-income family earning about \$68,000 a year paid nearly four months of income to support a student at UC, after factoring in the average grant award. A family in the bottom 20 percent of the income scale may receive federal, state, and UC grant awards worth \$7,700. The family must still find \$13,300 per year to pay for college. This amounts to over half of their annual income.

Research shows the average grant award has doubled from the mid-1980s to the mid-2000s, but in the same period, total costs of attendance have more than tripled. Many middle-income families are not eligible for need-based financial aid and tend to incur greater debt to finance a college education.

“Student loans are available, but many families don’t know enough about interest rates, payment plans, or other options to make good choices. Some students may be afraid of digging themselves in a hole that will take years to get out of,” said the Commission’s Executive Director Murray Haberman.

More details of this work are in an eight-page report, “Who Can Afford It? How Rising Costs are Making College Unaffordable for Working Families”, available online at [www.cpec.ca.gov/agendas/agenda0806/item\\_06.pdf](http://www.cpec.ca.gov/agendas/agenda0806/item_06.pdf). The report has several graphics and data tables suitable for reproduction, available upon request.

## Other Topics

Commission members will discuss staff work on assessing what is the best gauge of how well schools are preparing students for college and how preparation varies between regions, neighborhoods, and race/ethnic groups.

“We often use API to measure school quality,” Haberman said. “The problem is that API is a single number for the whole school. It doesn’t tell us whether all students at the school are getting an education that prepares them for college. Some students — even at a high API school — may be left behind.”

Commission staff are looking at data such as scores on high school proficiency tests to see how they are related to progress at college. These scores are available for different ethnic groups within schools. This work will help the Commission develop a measure that will gauge progress in giving students from all backgrounds a high school education of the quality that prepares them to succeed at college.

## Guest Speakers

On the first day, retired State Senator John Vasconcellos, author of the Commission's original enabling legislation, will speak about revamping the Master Plan for Higher Education as well as his public policy organization, The Vasconcellos Project.

On Wednesday, Marilyn McGrath, the Commission's representative to the state's Commission on Teacher Credentialing, will provide an annual update. Education leaders from ENLACE, a program that works to increase college opportunities for Latinos, will also address the Commission. Sara Lundquist of Santa Ana College and Claudia Martinez of UC Santa Barbara will talk about ENLACE's partnerships and policy initiatives.

## More Information on College Affordability

The following reports, published in 2007, offer more on affordability and student debt.

### Full-Time/Part-Time Enrollment Ratio - March 2007. 16 pages.

An examination of the ratio of part-time to full-time students and enrollment trends from 2000 to 2005 at CSU and UC. This report discusses the fiscal effect of part-time enrollment on the state and the individual. For example, a part-time CSU student who earns a degree in eight years will pay nearly \$9,000 more in fees than a full-time student who earns the same level of degree in four years. This report outlines policy recommendations and presents some campuses' strategies for getting students to enroll full-time and finish within four to five years.

[www.cpec.ca.gov/completereports/2007reports/07-05.pdf](http://www.cpec.ca.gov/completereports/2007reports/07-05.pdf)

### Average Indebtedness of Graduates at Two- and Four-Year Colleges and Universities September 2007. 12 pages.

This report looks at student and family debt incurred for undergraduate education at UC, CSU, and the community colleges. Levels of debt are compared to those of students at private colleges and to those at similar institutions in other states. The report also explores the implications that debt can have on access to postsecondary education.

[www.cpec.ca.gov/completereports/2007reports/07-19.pdf](http://www.cpec.ca.gov/completereports/2007reports/07-19.pdf)

The June 10–11, 2008 Commission meeting will be streamed live on the Internet at <http://media.cpec.ca.gov/media>. Previous meetings are recorded and can also be heard via the Commission's website.

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*The California Postsecondary Education Commission advises the Governor and Legislature on higher education policy and fiscal issues. The Commission's primary focus is to ensure that the state's educational resources are used effectively to provide Californians with postsecondary education opportunities.*